

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE: §
JAMES LOREN LAYNE and § CASE NO. 05-30311-H2-11
DEBBIE HARRIS LAYNE §

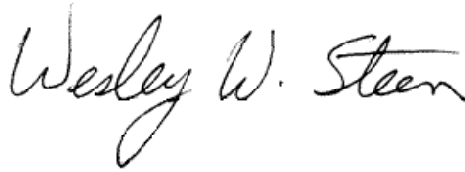
MEMORANDUM AND ORDER FOLLOWING STATUS CONFERENCE

A status conference was conducted on October 3, 2005.

1. **Nature of the debtor's business:** The Debtors own 100% of ARC Control. Both Debtors are employed in that business.
2. **Summary analysis of assets, claims, creditors, collateral and equity interest owners:** The Debtors' assets and liabilities are typical of consumer assets and debts except for an IRS claim that was resolved by agreed order on June 23, 2005.
3. **Reasons for filing the petition:** Debtor's residence was set for foreclosure.
4. **Debtor's strategy for reorganization:** Debtors intend to file a plan that will pay the IRS over an extended period of time.
5. **Compliance with provisions of the Bankruptcy Code:** The United States Trustee reported that a § 341 meeting is set for October 11, 2005. The Debtors did not appear at the first creditors' meeting because of hurricane Rita. The U.S. Trustee is directed to present the Debtors, within 10 days after the 341 meeting, a list of any deficiencies in compliance with U.S. Trustee requirements. Within 10 days after that, the U.S. Trustee must submit (i) an agreed order indicating compliance, (ii) an agreed order stipulating deadlines and methods of compliance, or (iii) a motion to compel compliance.
6. The deadline for filing a plan and disclosure statement is November 7, 2005. The disclosure statement must include information regarding the status of negotiations with the IRS. The Debtor shall provide a courtesy copy of the plan and disclosure statement to the court's chambers at the same time that they are filed with the clerk. The Court will consider tentative approval of the plan and disclosure statement and combination of the hearings.
7. **The Debtor was examined concerning whether all tax returns have been filed.** Debtors' counsel stated that all delinquent tax returns have been filed

The Debtor is further ordered to file all postpetition tax returns on the due date, without extensions, and to pay postpetition taxes when due.

SIGNED October 4, 2005

A handwritten signature in black ink that reads "Wesley W. Steen". The signature is written in a cursive, flowing style.

WESLEY W. STEEN
UNITED STATES BANKRUPTCY JUDGE